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British Columbia Securities Commission

SUPPLY

## QUARTERLY AND YEAR END REPORT

BC FORM 51-901F  
(previously Form 61)

82-2911

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<b>ISSUER DETAILS</b>			FOR QUARTER ENDED			DATE OF REPORT		
NAME OF ISSUER			Y	M	D	Y	M	D
Cadre Resources Ltd.			04	01	31	04	03	29
ISSUER ADDRESS								
Box # 48836, Bentall Center, 595 Burrard Street								
CITY/	PROVINCE	POSTAL CODE	ISSUER FAX NO.			ISSUER TELEPHONE NO.		
Vancouver	B.C.	V7X 1A8	(250) 447- 9149			(250) 447- 6641		
CONTACT PERSON		CONTACT'S POSITION				CONTACT TELEPHONE NO.		
Page Chilcott		Director				(250) 447- 6641		
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS						
investorrelations@cadresources.com		cadresources.com						

**CERTIFICATE**

The three schedules required to complete this Report are attached and the Board of Directors has approved the disclosure contained therein. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"R. Page Chilcott"	R. Page Chilcott	Y	M	D
		04	03	29
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"Stanley L. Sandner"	Stanley L. Sandner	Y	M	D
		04	03	29

FIN51-901F Rev.2000/12/19

**SCHEDULE A: FINANCIAL INFORMATION**

PROCESSED

APR 14 2004

**SCHEDULE B: SUPPLEMENTARY INFORMATION**THOMSON  
FINANCIAL**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

# CADRE RESOURCES LTD.

## BALANCE SHEETS

January 31, 2004 and October 31, 2003

(Expressed in U.S. dollars)

*Unaudited*

	<u>January 31</u>	<u>October 31</u>
<b>ASSETS</b>		
Current		
Cash	\$ 41,538	\$ 1,320
Receivables	<u>3,907</u>	<u>3,772</u>
	45,445	5,092
Mineral concessions (Notes 2 & 3)	-	-
Capital assets	<u>-</u>	<u>-</u>
	<u>\$ 45,445</u>	<u>\$ 5,092</u>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 579,469	\$ 587,132
Amounts owing to shareholders (Note 6)	<u>143,629</u>	<u>143,629</u>
	<u>723,098</u>	<u>730,761</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Notes 2 and 4)		
Authorized		
100,000,000 common shares without par value		
100,000,000 preferred shares without par value		
Issued and outstanding		
10,421,715 common shares		
(October 31, 2002 10,421,715 common shares)	4,881,573	4,881,573
Share subscriptions	105,000	
Deficit	<u>(5,664,227)</u>	<u>(5,607,242)</u>
	<u>(677,654)</u>	<u>(725,669)</u>
	<u>45,445</u>	<u>\$ 5,092</u>

See accompanying notes to financial statements

**CADRE RESOURCES LTD.****STATEMENTS OF LOSS AND DEFICIT**

For The Three Months Ended January 31, 2004 and 2003

(Expressed in U.S. dollars)

*Unaudited*

Three Months Ended			Three Months Ended				
2004		2003	2004		2003		
Expenses							
\$	5,650	-	\$	5,650	\$	-	
	180	95		180		95	
	7,100	-		7,100		-	
	-	-		0		-	
	(891)	14,676		(891)		14,676	
	2,315	316		2,315		316	
	25,905	28,768		25,905		28,768	
	2,736	861		2,736		861	
	1,768	341		1,768		341	
	986	670		986		670	
	10,602	2,805		10,602		2,805	
	634	-		634		-	
				-			
	56,985	48,532		56,985		48,532	
	-			-		-	
	56,985	48,532		56,985		48,532	
				-			
	5,280,418	5,360,256		5,607,242		5,360,256	
\$	5,337,403	\$	5,408,788	\$	5,664,227	\$	5,408,788

See accompanying notes to financial statements

**CADRE RESOURCES LTD.****STATEMENTS OF CASH FLOWS**

For The Three Months Ended January 31, 2004 and 2003

(Expressed in U.S. dollars)

*Unaudited*

Three Months Ended			Three Months Ended	
2004	2003		2004	2003
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
\$ (56,985)	\$ (48,532)	Net loss for the period	\$ (56,985)	\$ (48,532)
-	-	Items not affecting cash:		
		Depreciation	-	-
(56,985)	(48,532)		(56,985)	(48,532)
(7,797)	43,131	Changes in non-cash operating working capital items	(7,797)	43,131
(64,782)	(5,401)		(64,782)	(5,401)
INVESTING				
-	-	Mineral concession expenditures	-	-
-	-	Fixed assets	-	-
-		Write down shareholder loans	-	-
FINANCING				
105,000		Share subscriptions	105,000	
-	-	Share capital issued	-	-
105,000			105,000	
40,218	(5,401)	Net cash flow	40,218	(5,401)
1,320	7,105	Cash, beginning of period	1,320	7,105
\$ 41,538	\$ 1,704	Cash, end of period	\$ 41,538	\$ 1,704

See accompanying notes to financial statements

**CADRE RESOURCES LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in United States dollars)  
January 31, 2003  
*Unaudited*

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

The Company was incorporated on March 1, 1988 under the laws of the Province of British Columbia and was continued under the Canada Business Corporations Act on June 19, 1995. The Company's principal business activity is the acquisition and exploration of resource properties and is considered to be in the exploration stage.

On March 12, 2002, the Company was designated inactive by the TSX Venture Exchange ("TSX-V") and was transferred to the NEX Board on August 18, 2003. The Company is subject to restrictions on share issuances and certain types of payments as set out in NEX policies.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support from its creditors, complete public equity financings or generate profitable operations in the future.

	January 31 2004	December 31 2003
Working capital (deficiency)	\$ (677,653)	\$ (725,669)
Deficit	(5,664,227)	(5,607,242)

*These interim financial statements should be read in conjunction with the most recent annual financial statements*

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Use of estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

**CADRE RESOURCES LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in United States dollars)  
January 31, 2003  
*Unaudited*

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Foreign currency translation**

The Company reports in United States dollars. Monetary assets and liabilities denominated in foreign currencies are translated into United State dollar equivalents at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities at the exchange rates in effect at the time of the transaction. Revenues and expenses denominated in foreign currencies are translated at the exchange rate in effect at the time of the transaction. Gains and losses arising on translation are included in the statements of operations and deficit.

**Future income taxes**

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

**Stock-based compensation**

The Company grants options in accordance with the policies of the TSX-V. Effective November 1, 2002, the Company adopted the new CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which recommends a fair value-based methodology for measuring compensation costs. The Company has adopted the use of the fair value-based method and therefore all awards to employees and non-employees will be recorded at fair value on the date of grant. Any consideration paid by the option holders to purchase shares is credited to capital stock.

**3. ADVANCES PAYABLE**

	January 31 December 31	
	2004	2003
Advances from a shareholder, non-interest bearing, unsecured with no fixed terms of repayment	\$ 43,629	\$ 43,629
Advances from a director, non-interest bearing, unsecured, with no fixed terms of repayment.	<u>100,000</u>	<u>100,000</u>
	<u>\$ 143,629</u>	<u>\$ 143,629</u>

**CADRE RESOURCES LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in United States dollars)  
January 31, 2003  
*Unaudited*

**3. ADVANCES PAYABLE (cont'd...)**

A debt settlement agreement has been reached whereby advances payable will be satisfied by the issue of common shares at a price of CDN\$ 0.145

**4. CAPITAL STOCK**

	Number of Shares	Amount
Authorized		
100,000,000 common shares, without par value		
Issued		
Balance, October 31, 2003	10,421,715	4,881,573
Private placements		
Finder's fee		
Exercise of options		
Share issue costs		
Balance January 31, 2004	10,421,715	\$ 4,881,573

**Stock options and warrants**

As at January 31, 2004, the following stock options and warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date
<b>Options</b>	25,000	CDN \$0.20	April 22, 2004
	100,000	0.20	February 7, 2005
	245,000	0.20	February 2, 2006
	111,000	0.15	May 25, 2006
<b>Warrants</b>	1,000,000	0.40	March 13, 2004
	600,000	US\$ 0.10	June 27, 2005

**CADRE RESOURCES LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in United States dollars)  
January 31, 2003  
*Unaudited*

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, October 31, 2003	481,000	0.19
Granted	-	-
Exercised	-	-
Expired/cancelled	-	-
Outstanding, January 31, 2004	481,000	CDN\$ 0.19
Exercisable, January 31, 2004	481,000	CDN\$ 0.19

**5. RELATED PARTY TRANSACTIONS**

Included in accounts payable as at January 31, 2004 is \$351,174 due to directors and companies controlled by directors of the Company. Included in advances payable is \$100,000 due to a director of the Company.

During the period ended January 31, 2004, the Company paid or accrued management fees of \$28,768 to directors and companies controlled by directors of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

**6. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and advances payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.



**CADRE RESOURCES LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in United States dollars)  
January 31, 2003  
*Unaudited*

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**7. SEGMENTED INFORMATION**

The Company currently operates in Canada in one reportable operating segment, being the acquisition and exploration of resource properties.

**8. SUBSEQUENT EVENTS**

Subsequent to January 31, 2003, the Company:

- a) Received regulatory approval for a private placement consisting of 1,638,440 units at a price of CDN\$0.145 per unit. Each unit will consist of one common share and one non-transferable share purchase warrant exercisable at a price of CDN\$0.19 per share for a period of one year.
- b) Reached an agreement with a related party to settle US\$220,000 in debt by issuing common shares of the Company at a price of CDN\$0.145 per share, subject to regulatory approval.
- c) Has pending a formal written application for the Caroni Project concessions to the Ministerio de Energia y Minas ("MEM") in Venezuela. This filing seeks the exclusive right for the company to conduct a detailed independent, comprehensive Bankable Feasibility Study ("BFS") on the concessions. The successful completion of that BFS, subject to financing and regulatory approval, could lead to tenure and exclusive sustainable mining exploitation rights to 25 concessions on the lower Caroni River, Bolivar State, Venezuela.

## **SCHEDULE B - SUPPLEMENTAL INFORMATION**

1) Analysis of expenses and deferred costs

See Schedule A Financial Statements

2) Related party transactions

See Schedule A Financial Statements

3) Summary of securities issued and options granted during the period

a) Summary of securities issued

Date of Issue	Type of Security	Type of Issue	# of Shares	US\$ Price	Total Proceeds	Type of Consideration	Commission Paid US\$
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NIL

b) Summary of options granted

Date	# of shares	Optionee	Price	Expiry
NIL				

4) Summary of securities as at the end of the reporting period

See Schedule A Financial Statements

5) Directors & Officers of the company

- Stanley Sandner – Chairman & CEO  
David R. Hagler  
R. Page Chilcott - President  
Carlos Bacalao Romer  
Marcello M. Veiga

## **SCHEDULE C - MANAGEMENT DISCUSSION**

### **Description Of Business**

Employing modern technology, the Company is engaged in the acquisition and economic development of alluvial mineral deposits on the lower Caroni River, Venezuela. These deposits contain gold, diamonds, titanium and fresh water sand and gravel. In addition, the exploitation process will use ecologically sound and proven processes to remove existing pollutants.

### **Operations and Financial Condition**

- a) Loss - The Company incurred a net loss on operations of (\$56,985) for the period compared to a loss of (\$48,532) for the same period in the prior year. This amounts to an increase of \$8,453 due to increased travel costs of \$7,797, increased audit fees of \$5650, increased consulting fees of \$7,100, offset by a reduction in foreign exchange expense of \$15,567 and other variations in expenses.
- b) Mineral Properties - The Company has filed a formal application with authorities in Venezuela for mineral concessions. Government officials have orally accepted the proposed exploitation plan. The application requests exclusive mining rights to 25 concessions along the lower Caroni River, Bolivar State, consisting of two non-contiguous blocks and comprising approximately 12,463 ha. The filing has been made to the Ministry of Mines pursuant to Venezuela Mining Law and to other affected regulatory bodies. Acceptance of the application for these exclusive rights, subject to financing, will lead to a feasibility study including a full-scale technical, economic and environmental study of the large-scale exploitation potential of the concessions. Exclusive concession tenure, titles and permitting along with government acquiescence and support would be included in this study. Completion of this phase will include final projected operating and capital costs of the project. Successful conclusion will depend upon the Company obtaining adequate financing and government approvals.
- c) Investor Relations - The Company currently has no agreements to provide investor relation services. Discussions have been held with various parties.

### **Financing**

The company has successfully completed private placements for US\$182,000. The proceeds will be used for working capital and furtherance of the project in Venezuela. The company also settled debts with a non-arms length creditor for US\$220,000

### **Liquidity And Solvency**

The Company has incurred losses since inception and has a working capital deficiency of \$725,669. These factors create significant doubt as to the ability of the Company to continue as a going concern.

The Company's ability to meet its obligations and maintain its operations is contingent upon successful completion of additional financing arrangements currently being considered, the continuing support of its creditors or the completion of a business combination with a company which would assist in obtaining necessary financing.